
TWENTY-SEVENTH ANNUAL REPORT

Fiscal Year 1993

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U.S. Department of Transportation
Office of the Secretary

U.S. DEPARTMENT OF TRANSPORTATION

Twenty-Seventh Annual Report

Fiscal Year 1993

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Executive Summary

The Department of Transportation (DOT) is responsible for devising and implementing national transportation policies to assure that residents of the United States can access a "total transportation system" that moves them and their goods safely, conveniently, at low cost, and without adversely affecting the environment.

Midwest Floods

Following the Midwest Flood of 1993, the Department was the principal Federal agency responsible for transportation damage assessment, restoration of service, and procurement of needed assets. DOT activated United States Coast Guard (USCG) personnel on the rivers, established temporary air control facilities, and expedited Federal financial assistance for highways and railroads that had washed away.

National Performance Review (NPR)

In March, the President ordered a review of the Federal Government to improve its quality and to cut the costs of delivering services to the American taxpayer. As part of the NPR, Departmentwide teams focused on safety, rulemaking, grants delivery, administrative services, the environment, and field organization. Operating administration teams examined technical subjects and administrative issues, such as intermodal cooperation, automation, communications, organizational structures, performance management, and management practices. The national report, *Creating a Government that Works Better and Costs Less*, contained more than 200 recommendations - some applying to all Government agencies and others to specific agencies, including 23 to DOT.

Safety

From its inception, DOT has been committed to the enhancement of transportation safety. The Office of the Secretary oversees departmental safety regulatory actions; most operating administrations, in turn, regulate their transportation mode. DOT also drafted final rules implementing an executive order on seismic safety and, together with five operating administra-

tions, regulations that implemented the Omnibus Transportation Employee Testing Act of 1991.

The Federal Aviation Administration (FAA) addressed safety concerns such as deicing, the duty times of flight attendants and air crews, emergency evacuations, and manufacturers' compliance with safety regulations.

The National Highway Traffic Safety Administration (NHTSA) issued a proposed rule about rear-facing child restraint systems to alert consumers not to use them in the front seating positions of vehicles equipped with passenger-side air bags.

The USCG supported a national program to educate the public about safe boating practices. It serves as an information hub for all government agencies, Federal and state, and national nonprofit organizations with boating programs. National Safe Boating Week programs achieved record levels of participation. A toll-free boating safety hotline responded to nearly 150,000 calls concerning boating safety, safety recalls, law enforcement boardings, and the Recreational Vessel Fee program.

The Federal Railroad Administration (FRA) issued four rulemakings that impacted the safety of the railroad industry: a final rule protecting temporary members of a train or yard crew; an interim final rule issued in response to petitions for reconsideration and revision of the locomotive engineer certification rule; a final rule requiring event recorders on fast trains to improve the safety of railroad operations; and an interim regulation identifying several lighting arrangements acceptable for use on locomotives.

The Research and Special Programs Administration (RSPA) developed a risk assessment model for prioritizing its actions in managing, by rulemaking and other means, the risks to public safety and the environment posed by natural gas and hazardous liquid pipelines. RSPA began a thorough review of the pipeline program to identify actions that would increase the protection of the public and the environment from pipeline ruptures.

DOT continued to emphasize initiatives, like payments to employees for transit benefits and a study on the implications of telecommuting, to foster environmental protection.

Departmentwide Initiatives

Crisis Management: The Midwest Flood

Between June and September, the Flood of 1993 adversely impacted the lives of people in nine states bordering the Mississippi River basin, washing out homes, inundating farmland, and disrupting all means of transportation. Barge traffic was stranded, several regional airports were under water, and many vital highway and rail bridges were impassable. The railroad freight industry was especially hard hit.

RSPA coordinated DOT's response to the flood. DOT was the principal Federal agency responsible for transportation damage assessment, restoration of service, and procurement of needed transportation assets. RSPA assembled a Crisis Management Team at DOT headquarters to support the Secretary in directing the response and published daily status reports for the Federal transportation community. Regional Emergency Response Coordinators managed response activities in the disaster area, working with State and local authorities and the Federal Emergency Management Agency.

The Secretary activated more than 400 USCG reservists, who represented every unit in the Second District. Most were assigned to flood response teams that assisted Federal and local agencies in water transportation and reconnaissance, law enforcement, and rescue operations. USCG Auxiliary provided extensive operational and administrative support for USCG Midwest Flood activities. Once river conditions were at safe levels, bridges across affected navigable waters were opened for marine transportation.

A task force established by the FAA's Central Region assessed damage and coordinated recovery activities. To assist operations by general aviation aircraft whose normal bases had been flooded, FAA activated a temporary air traffic control tower in the St. Louis area. The Federal Highway Administration (FHWA) responded promptly to state requests for emergency financial assistance for restoration of highways and bridges on the Federal-aid system. Seventy-six engineers surveyed the damaged roads and bridges. Based on estimates developed in these surveys, \$103 million in emergency funds were allocated to the nine states to

repair damaged roads and bridges. To expedite trucking of relief supplies into the disaster region, FHWA relaxed hours-of-service requirements for motor carriers providing emergency relief. This was accomplished without jeopardizing highway safety.

The Department also responded to flood damage through FRA's Local Rail Freight Assistance Program. The Secretary requested and Congress approved additional appropriations of \$21 million to rebuild flood-damaged rail freight lines. To expedite applications, FRA waived many regulatory requirements and assisted states in preparing their requests. FRA approved emergency funding within 10 days of receiving complete applications.

NPR

In March 1993, the President announced plans for a 6month review of the Federal Government to improve its quality and to cut the costs of delivering services to the American taxpayer. The report of the NPR, *Creating a Government that Works Better and Costs Less*, contained more than 200 recommendations some that apply to all Government agencies and others to specific agencies, including 23 that apply to DOT.

Several DOT employees were on Governmentwide teams and more than 100 served on departmental crosscutting and operating administration teams. Activities included a 1-day orientation program for departmental team members, a town meeting with the Vice President, and other town meetings in Chicago and Washington. Employees conducted field interviews of transportation customers and participated in focus groups and hotlines to identify programs, regulations, and processes that could be improved or eliminated.

NPR recommendations included suggestions to establish a corporation to provide air traffic control services, impose user fees for international overflights of U.S. air space, contract out Level I air traffic control towers, reduce the essential air service subsidies for small airports, permit states to use Federal aid as a capital reserve, create and evaluate telecommuting programs, rescind or reprogram unobligated earmarks for Federal Transit Administration (FTA) new start

Safety and Security

Aviation Safety

During the winter of 1992-93, FAA conducted more than 2,800 inspections to ensure compliance with a new airline deicing regulation. No icing-related accidents occurred, and FAA later proposed another rule on deicing for commuter and air taxi operators. Two other proposed rules sought to limit the duty time of flight attendants and to prevent the pairing of pilots and copilots without extensive experience in the aircraft type they fly. To facilitate emergency evacuations, FAA amended its rules on exit row seating. FAA implemented an Aircraft Certification Systems Evaluation Program to track manufacturers' compliance with regulations, and completed action to guard against the use of suspected unapproved parts. FAA neared completion of the first phase of the Safety Performance Analysis System, which assists inspectors in targeting their surveillance, and implemented a System Indicators Program that processes data on safety and efficiency to provide a comprehensive view of the aviation system's status and future user demands. FAA continued work on the National Aviation Safety Data Center which will enhance and integrate existing safety-related data to facilitate analysis. In cooperation with industry, FAA developed a new methodology for resolving propulsion-related safety issues. FAA worked on standards to allow Boeing's twin-engine Model 777 to begin operations immediately upon certification. Safety studies included one that recommended ways to reduce runway incursions and pilot surface incidents. FAA developed a set of aviation weather requirements for coordination internally and with industry.

Aviation Security

FAA received comments on a proposed rule to require employment investigations for individuals with unescorted access to security sensitive areas of airports and distributed guidelines for improving security during airport design and construction. FAA issued final criteria for explosives detection systems and began airport demonstrations of trace explosives detection equipment for screening electrical devices.

Traffic Safety

In 1992, 39,235 persons lost their lives in traffic crashes—the first time since 1962 that the fatality total dropped below 40,000. The fatality rate was 1.8 per 100 million vehicle miles of travel, the lowest in history. Safety belt use was 62 percent nationwide. Fourteen states reached 70 percent belt use or better; Hawaii maintained a rate of 83 percent. An estimated 268 children under age 5 were saved by child safety seats. Alcohol involvement in traffic fatalities decreased 20 percent from 22,084 in 1990 to 17,699 in 1992, and the proportion of traffic fatalities involving alcohol dropped from 50 percent in 1990 to 45 percent in 1992.

Child Safety

Rules were issued requiring devices to secure wheelchairs in school buses, an increase in the number of emergency exits in school buses, and an increase in the field-of-view around school buses by using convex cross view mirrors. A proposed rule was issued requiring a warning label for rear-facing child restraint systems to alert consumers not to use them in the front seating positions of vehicles equipped with passenger-side air bags. A proposed rule was issued to allow a new type of beltpositioning booster seat.

Heavy Truck Safety

A final rule was issued that requires manufacturers to place automatic brake adjusters and indicators on all airbraked vehicles and trailers. Proposed rules were issued to require medium and heavy vehicles to have an antilock brake system to improve lateral stability and control during braking, and to improve the stopping distances of these vehicles.

Safety Defects

Manufacturers recalled 8.2 million motor vehicles in 173 recall campaigns to correct safety defects. NHTSA's investigations led to 55 recall campaigns involving 6.2 million vehicles, and 3 motor vehicle equipment recall campaigns involving 79,000 items of equipment (e.g., child safety seats).

regulatory initiatives, increased liquid pipeline inspections, and the formation of a coalition to develop a computerized mapping system of the nation's pipelines. In addition, RSPA is promoting increased participation by excavators and operators in state one-call notification systems which locate pipelines before excavation.

Hazardous Materials Regulations (HMR)

RSPA published an NPRM which proposed to extend the application of the HMR to all intrastate transportation of hazardous materials in commerce. They would raise the safety level of hazardous materials transportation by promoting national regulatory uniformity.

Establishment of New Hazardous Materials Safety (HMS) Regional Office

RSPA's fourth HMS regional office was established in Houston, TX, to augment industry compliance with HMR and to enable HMS inspectors to work more closely with state enforcement personnel.

Seismic Safety

DOT published a final rule implementing Executive Order 12699, Seismic Safety of Federal and Federally Assisted New Building Construction, to reduce the risk of death or injury to building occupants, improve the capabilities of essential buildings to function during or after an earthquake, and reduce earthquake losses of public buildings and investments.

Alcohol Legislation

Five states lowered their legal blood alcohol concentration limit to .08 for drivers, and 7 enacted laws setting a limit of .02 or less for drivers under age 21. Two states enacted laws requiring administrative revocation of the licenses of drivers caught driving while intoxicated.

Alcohol Safety Programs

Under a grant from NHTSA, the Washington Regional Alcohol Project began developing a model youth alcohol program to assess drinking and impaired driving problems among young people. A public/private sector program, Techniques of Effective Alcohol Management, promotes responsible alcohol service in public facilities. Instructors provided workshops and technical support in more than 5,000 facilities.

Alcohol and Drug Testing Rules

The Omnibus Transportation Employee Testing Act of 1991 requires that DOT issue alcohol and drug testing regulations covering approximately 7 million transportation employees. Comments were gathered, evaluated, and incorporated into the final rules whose issuance was pending at year's end.

Saint Lawrence Seaway Development Corporation (SLSDC)

SLSDC sponsored the largest emergency response exercise ever conducted along the St. Lawrence River.

Civil Rights

Americans With Disabilities Act (ADA) Implementation

Phased-in implementation of ADA regulations for mass transit systems is on schedule. At year's end, roughly 50 percent of the total bus fleet, or 26,000 buses, was lift or rampequipped.

Forty-four percent of total key rail stations, or 309 key stations, on rapid, light, and commuter rail systems complied with the ADA deadline for full accessibility by July 1993.

Two hundred eighty-four key stations were granted time extensions for compliance, and 115 stations were in probable noncompliance as of the deadline.

International Activities

Cooperation with United States Trade Representative (USTR)

DOT worked closely with the USTR to ensure that governments provide transparent, predictable, and nonrestrictive rules affecting foreign service providers.

North American Free Trade Agreement (NAFTA)

After successfully leading the land transportation negotiations in NAFTA, DOT actively participated in Administration efforts to obtain Congressional ratification. DOT also continued to chair the U.S.-Mexico Transportation Working Group whose safety standards harmonization activities will be folded under NAFTA into a trilateral effort with Canada.

General Agreement on Tariffs and Trade (GATT)

The Uruguay Round of trade negotiations under the auspices of GATT continues to face difficulties due to a disagreement between the United States and the European Community over agricultural subsidies. DOT continues to support the substantive exclusion of the U.S. air and maritime sectors from the services portion of the Round as the most effective means of retaining U.S. leverage to advance market liberalization.

Commercial Space Launch Agreement

The Office of Commercial Space Transportation (OCST) was a member of the U.S. interagency negotiating team, led by the USTR, which successfully concluded the United States/Russia Commercial Space Launch Agreement allowing Russia to enter the world commercial space launch market while making the transition to a market-based economy. The Agreement was signed September 2, 1993, by the Vice President and the Russian Prime Minister, during an historic 2-day meeting of the U.S.-Russian Joint Commission on Energy and Space.

International Airliner Smoking Ban

In October 1992, the Assembly of the International Civil Aviation Organization (ICAO) passed a resolution calling on all contracting states "to take necessary measures as soon as possible to restrict smoking progressively on all international passenger flights with the objective of implementing complete smoking bans by 1 July 1996." The United States joined Australia, Canada, New Zealand, and nine other nations to cosponsor this resolution and will work for its early implementation.

Middle East Initiative

The Secretary visited Saudi Arabia, the United Arab Emirates, and Bahrain to promote the sale of U.S. airplanes, review progress on the Saudi Transport Project, and meet with the heads of state of each country.

Foreign Visitors

DOT received more than 300 foreign visitors from throughout the world for briefings on U.S. transportation policy and programs in the highway, rail, marine and maritime, aviation, traffic safety, and urban transit areas.

Serbian Sanctions

In January 1993, the Department of State (DOS) requested USCG assistance in assessing the effectiveness of Romanian and Bulgarian efforts to enforce U.N. sanction against Serbia on the Danube River. The United States purchased six patrol boats to assist Romanian and Bulgarian sanctions efforts, and the USCG provided two 4-person training teams to assist in vessel assembly and training.

Historic Ship Visits

During the summer of 1993, Coast Guard Cutter (CGC) GALLATIN made a series of port calls to locations in Estonia, Latvia, Lithuania, Poland, and Russia. This was the first visit by a U.S. warship to Latvia since the 1920s.

Ownership and Control

DOT decided two airline ownership and control issues. First, British Airways (BA) proposed to acquire a 49 percent equity stake in USAir for \$750 million. BA and USAir later modified their agreement, reducing BA's investment to roughly \$400 million for almost 20 percent of USAir's voting equity interest. In March 1993, DOT granted temporary operating authority for 1 year, enabling USAir and BA to implement a code-sharing agreement, pending bilateral negotiations with the British government toward a more liberal bilateral aviation agreement.

Second, Northwest and KLM sought approval and antitrust immunity for a proposed commercial cooperation and integration agreement. The agreement contemplates that the two will develop a common brand/service mark and join marketing, sales, pricing, inventory management, schedule planning, advertising, and commissions programs. DOT approved the agreement, to be reviewed after 5 years.

Heathrow Airport Arbitration

After 15 years of dispute, the United States and the United Kingdom requested an international tribunal to determine if charges imposed on U.S. airlines to use Heathrow Airport were excessive and discriminatory, in violation of the nations' bilateral treaty. The tribunal issued an award determining that the United Kingdom had breached its treaty obligations in several respects.

Route Cases

DOT decided two major route cases. First, the **U.S.-China All Cargo Service Case** was instituted to select one carrier to provide scheduled all cargo services between the United States and China. Evergreen International Airlines was selected. Second, in the **U.S.-Colombia Combination Service Case**, DOT selected Continental Airlines for primary authority to serve the Houston-Colombia market and United Airlines for backup authority to serve the Miami-Bogota market.

International Technology Scanning Review

FHWA worked with the American Association of State Highway and Transportation Officials, the Transportation Research Board (TRB), universities,

and the private sector in an International Technology Scanning Review. This informed the domestic highway community of technological developments abroad. Reviews were undertaken of quality enhancement contract administration, intermodal planning, and pedestrian, bicycle, and general safety issues.

Aid to Russia

FHWA provided technical assistance to Russia in support of the World Bank loan of \$340 million for road rehabilitation and maintenance.

International Maritime Activities

MARAD continued efforts to obtain equitable treatment for U.S.-flag carriers' participation in world trade. The agency conducted discussions with Brazil, the People's Republic of China (PRC), Ukraine, and Venezuela and took part in several multilateral conferences.

International Marketing

SLSDC continued its intensive marketing efforts through two trade missions—to the Pacific Rim nations of Australia, Japan, Korea, Thailand, and Hong Kong, and to Russia.

The Pacific Rim mission was SLSDC's first there. The 12-member U.S.-Canadian delegation visited Sydney, Australia; Tokyo, Japan; Seoul, South Korea; Bangkok, Thailand; and Hong Kong. This region has an annual market potential of about 8 million metric tons of cargo for the Great Lakes.

SLSDC's trade mission to Russia involved stops in Kaliningrad and St. Petersburg. Russia represents a potential grain market of 4.5 million tons for Great Lakes/Seaway ports. Kaliningrad is the home port of the Baltic Shipping Co., which has provided a regular liner service between the Great Lakes and Russia since 1991. A total of 14 U.S. and Canadian maritime and business executives were part of the delegation.

Launch Pricing

OCST completed analysis of launch-pricing conduct by the PRC for compliance with the provisions outlined in the Memorandum of Agreement between the United States of America and the PRC about international trade in commercial launch services.

Program Development

Aviation

Air Carrier Fitness

Applications for new and increased authority to conduct air carrier operations continued to increase sharply. Analysis has been completed and decisions issued on 40 applications, and an additional 34 remained pending at the end of the year. About 75 percent of the applications were approved. The Department also monitors the continuing fitness of air carriers that already hold authority.

Airspace Management and System Capacity

FAA's Airport Capacity Design Program identifies and assesses various corrective actions to increase the capacity and efficiency of airports under study. Thirty-four of the top 50 airports nationwide have been studied and improvements recommended for savings in costs and delays. Recognizing that changes in operating methods are the most inexpensive method of improving system capacity, FAA established procedures to permit dependent converging instrument approaches and allow improved simultaneous approaches and dependent parallel approaches. FAA also issued design standards for spacing triple and quadruple parallel runways to accommodate independent instrument operations. These and other applications of existing and emerging technologies will result in more efficient use of fuel, aircraft, and airport/airline personnel. FAA began moving its Air Traffic Control Command Center from headquarters to a leased facility at Herndon, VA, where functions related to national air traffic flow control will be grouped.

Capital Investment Plan (CIP)

By year's end, FAA had completed or begun field implementation of more than 95 percent of the original projects of the former NAS Plan, while progress continued under the new CIP. FAA completed the commissioning of the Peripheral Adapter Module Replacement Item (PAMRI) at all 20 designated en route centers. PAMRI, the initial segment of the

Advance Automation System, permits the centers to receive data from more radars and at a faster rate. Actions to improve air traffic controllers' communications included acceptance of a full-scale Voice Switching and Control System for operational tests and evaluation. FAA accepted delivery of site-specific upgraded software for the ARTS IIA Automated Radar Terminal System at 70 of 130 planned sites, received additional systems and equipment under the Interim Support Plan, and took steps to further enhance the system's capabilities. FAA upgraded and commissioned the prototype of the Precision Runway Monitor System, an electronically scanned high-update radar system to reduce delays and fuel costs. FAA installed the first ARSR-4 Air Route Surveillance Radar, commissioned six Mode S ground interrogator systems and additional ASR-9 airport surveillance radars, and accepted delivery of three more new Airport Surface Detection Equipment Systems. While delivery of Next Generation Weather Radars proceeded under a joint project, FAA accepted delivery of four Terminal Doppler Weather Radar Systems, and continued to install Automated Weather Observing Systems and Federally-sponsored Automated Surface Observing Systems.

FAA awarded contracts for projects that included acquisition of transmitters and receivers to expand / relocate remote communications facilities, power conditioning and battery backup systems for automated flight service stations, and current-technology aircraft for flight inspection duty. Other contracts included replacement of air traffic control tower communications systems and obsolescent long range radar radomes, as well as the first phase of a project to establish the Alaskan NAS Interfacility Communications System satellite network. Initial operational readiness demonstrations marked progress in projects that included television microwave links providing satellite towers with Digital Bright Radar Indicator Tower Equipment information. FAA finished the first phase of an enhancement of its computer model for spare parts planning and deployed a new-design medium intensity approach lighting system using remote maintenance monitoring. Completion of the Radar Microwave Link replacement and expansion project provided a modern integrated backbone transmission system for voice and data. FAA also estab-

and rehabilitation of existing structures, worker safety, pavement maintenance, and snow and ice control.

Bridge Management

FHWA developed its bridge management software, **PONTIS**, in cooperation with the California Department of Transportation and a task force of state highway bridge engineers, and made it available to all states. Under LTAP, a videotape on PONTIS was translated into Spanish and distributed to the Pan American Institute of Highways, LTAP T₂ Centers, and FHWA regions and divisions in the United States serving Hispanic communities.

Traffic Control and Management

FHWA's traffic control and management technology applications activities included the demonstration of a variety of technologies such as Geographical Information System software and videologging traffic images onto laser discs. Other demonstrations include techniques for relieving traffic congestion through incident management and a mobile unit with electronic traffic control equipment and software to be used at intersections, promoting reliable and powerful traffic control systems to reduce urban congestion.

Motor Carrier Activities

The number of fatal accidents for medium and heavy trucks continued to decline since 1988 and is now 3,800. The fatal accident rate for medium and heavy trucks has declined since 1979 and is now at 2.5 per 100 million miles of travel.

The Motor Carrier Safety Assistance Program provided \$65 million to the states for commercial motor vehicle safety activities.

The program supported more than 2,800 state personnel who performed 1.6 million roadside commercial motor vehicle inspections.

During June 8-10, 1993, more than 56,000 inspections were conducted at more than 250 locations under National Roadcheck '93. The inspections resulted in placing 21 percent of the vehicles and 4 percent of the drivers out-of-service due to imminently hazardous conditions. More than 111,000 safety violations were detected.

FHWA and the states conduct reviews to determine how carriers are complying with Federal regulations.

More than 20,000 carrier reviews were conducted. More than 2,000 new hazardous material shippers were identified and 400 hazardous material cargo tank manufacturers were reviewed. A total of 2,300 enforcement cases were prosecuted, and \$10.2 million in penalties were assessed.

Corporate Average Fuel Economy (CAFE) Standards

Civil penalties collected from manufacturers for non-compliance with CAFE standards totaled \$29,909,475.

Longer Combination Vehicles (LCV)

Driver and vehicle characteristics of LCV operations are being tested to determine if modifications are necessary to DOT's commercial vehicle safety standards.

National Driver Register (NDR)

All 50 states and the District of Columbia were awarded grants to assist in changing the computerized Problem Driver Pointer System (PDPS), which enabled states to conduct an immediate check on problem drivers, and some states began testing their system. The NDR submitted a report to Congress recommending that timesharing and user help services be operated by the American Association of Motor Vehicle Administrators after the PDPS is fully implemented in 1995. The NDR processed 25,283,436 file checks in 1992, resulting in 1,010,262 probable identifications of problem drivers. These included 408,868 checks from FAA for pilots and 12,037 from FRA for railroad operators.

National Traffic Law Center (NTLC)

NHTSA established the NTLC to improve the quality of justice in traffic safety issues by providing information and training.

National Maximum Speed Limit Rulemaking

A proposed rule was issued that would require a new state speed limit compliance formula, a new speed monitoring plan, and a penalty for noncompliance.

reporting period. The workload in U.S. shipyards continued to be dominated by Navy ship construction projects.

Currently, there is one commercial oceangoing vessel larger than 1,000 gross tons on order in the United States. This order was placed with McDermott International of Morgan City, LA. The vessel is a 160 meter, 16,617 gross tons (24,000 deadweight tons) sulphur carrier to be operated in the U.S. domestic trade.

SLSDC

In April, together with the Seaway Authority of Canada, SLSDC agreed to reduce the toll on coal from \$1.10 to \$0.65 per ton to stimulate increased coal traffic. The lower rate induced the U.S. coal producer American Metals & Coal International to award a contract to ship Pennsylvania coal via the St. Lawrence Seaway to the New Brunswick (Canada) Power Corporation's Belledune power plant. In July, SLSDC made minor modifications to bumper guards at the Eisenhower Lock to accommodate the passage of the first U.S.-flag vessels through the lock in 4 years. SLSDC also appealed to the Joint Hull Committee's Institute Warranties Subcommittee in London to lower Seaway vessel insurance premiums by 66 percent during the final month of the navigation season. The appeal was based on data that showed navigation risks were no greater during the last month of the Seaway shipping season than during the rest of the season. Finally, the Corporation established an annual recognition program called "The Seaway Port Pacesetter Award" to spotlight U.S. Great Lakes ports that registered increased international cargo traffic.

Federal Radionavigation Plan

RSPA Headquarters and the Volpe Center worked with many DOT organizations to develop the 1992 *Federal Radionavigation Plan*. The Volpe Center also developed a GPS-based buoy positioning system, worked on implementation of a GPS-based vessel tracking system, performed a statistical analysis for GPS-based navigation system performance, and evaluated GPS use in urban areas, primarily for bus tracking.

Railroads

National Inspection Plan (NIP)

FRA continued use of the NIP, based on careful analysis of train mile, traffic volumes (especially passengers and hazardous materials), accident and injury data, and inspection results of railroad operations. By using NIP, FRA allocates inspection time to railroad operations based on the safety risk they pose. NIP also assists in prioritizing FRA field inspectors' assignments.

Transit

ISTEA Implementation

FTA published the following rules to implement specific sections of ISTEA and to help make public transit safer and more effective:

The Charter Services Demonstration Program to permit public transit systems to provide charter services to civic, charitable organizations. This will allow more effective use of Federally-supported transit assets.

Temporary Matching Waivers to permit FTA to waive local share requirements for formula grants in certain instances. This will allow grants to proceed under special circumstances when local matching funds are unavailable.

Recommended Fire Safety Practices to assess the fire retardant capabilities of materials used in transit buses and vans.

State Rail Transit Safety Oversight, a notice of proposed rulemaking, to implement ISTEA requirement that states be responsible for overseeing the safety of rail systems within them.

Metropolitan Planning and Statewide Planning Regulations, in cooperation with FHWA, to establish new transportation planning processes for metropolitan planning organizations and statewide planning agencies, and mandate significantly increased public participation in these processes. These will foster more responsive and effective transportation planning at the state and local level.

Research and Development

University Research Institutes

The Office of University Research and Education established six new University Research Institutes. This program represents a national investment to advance U.S. technology and expertise in surface transportation policy, infrastructure technology, IVHS technology, and urban transit systems. Like the 13 RSPA-managed University Transportation Centers, the Institutes conduct programs of research, technology transfer, and education.

DOT Surface Transportation R&D Plan

The Office of Research Policy and Technology Transfer and the Volpe Center delivered to the Congress the first DOT Surface Transportation R&D Plan. This plan focused on surface transportation systems needed for urban, suburban, and rural areas in the next decade.

USCG

A highly sophisticated system for detecting and classifying contraband, especially drugs, using a combination of methods including gas chromatography has been developed. A prototype has proved effective in several court cases. Search guidance for night vision goggles and the AN/APS137 airborne radar has been developed and provided to USCG search planners. The satellite-tracked self-locating datum marker buoy proof-of-concept testing has continued in the Pacific and been expanded to the Atlantic.

FAA

FAA opened a security laboratory at its Technical Center in Atlantic City, NJ, and continued R&D in

such areas as detection of explosives and weapons, human factors, and the hardening of aircraft and containers.

FHWA

FHWA continued research activity in IVHS, particularly automated highway systems, where considerable efforts were directed at developing systems for future use. In addition, FHWA and its partners worked closely to develop new high strength concrete, improved paving materials, and other new composite material technologies for use in bridges and road surfaces to reduce maintenance and enhance safety. Finally, FHWA issued a new manual on the seismic retrofit of bridges to aid states which are subject to earthquakes.

FRA

FRA completed numerous studies and proceeded on several projects, including: completion of the X2000 U.S. demonstration vehicle dynamics trials and a preliminary test report, completion of the safety evaluation of the German Intercity Express passenger train in the Northeast Corridor, and the final report on the National Maglev Initiative. The study recommended initiating a U.S. designed maglev prototype development program.

FTA

Under FTA's University Research and Training Program, the University of Kentucky conducted a research project to examine the travel behavior and transportation needs of the elderly in rural areas.

DOT began a dynamic enhancement/maintenance phase to ensure that DAFIS meet future needs and user requirements.

Systems Development

Intermodal Data Network

DOT completed the installation of the Intermodal Data Network in Headquarters. This will provide expanded electronic data transfer capability, electronic mail, and access to wide area networks such as FTS 2000, the GSA long distance phone system, and Internet, a private network connecting universities, research organizations, and public and private organizations.

Automated Track Inspection System (ATIS)

FRA awarded contracts for the continuation of ATIS, the upgrade of the FRA local area network, and the acquisition of equipment for automation of FRA field activities.

Geographic Information System (GIS)

FRA developed GIS for the national railroad network. The railroad GIS will constitute an accurate computerized representation of all rail lines and will include pertinent information such as ownership, trackage rights, and traffic volumes. Potential uses of the railroad GIS include traffic analysis and simulations, intermodal analysis, routing of hazardous materials, designation of defense essential lines, land use, port access planning and analysis, emergency response preparation, planning of commuter and high speed rail

services, rail safety assessments, and grade crossing elimination analysis.

GIS has been used to designate the railroad components that will be in the NHS and NTS. These include principal rail lines, Amtrak stations, and intermodal truck to/from rail transfer facilities.

Airline Carriers' Automated Financial Data

RSPA's Office of Airline Statistics began automating financial data provided by 70 U.S. airline carriers. DOT uses these data to monitor carriers' financial health. Automation reduced industry reporting burden, decreased RSPA data processing time, and increased the timeliness and accuracy of the reported financial data.

Computerized Telecommunications Data Center

In accordance with the Hazardous Materials Transportation Uniform Safety Act of 1990, RSPA contracted with the National Academy of Sciences (Academy) to study the feasibility and necessity of establishing and operating a central reporting system and computerized telecommunications data center. The center would receive, store, and retrieve data on all daily shipments of hazardous materials, by all modes, to improve information for emergency responders at the site of an incident. The Academy transmitted its report to Congress and to the Secretary in 1993.

Computer Systems Nucleus Program

The Computer Resources Nucleus program began providing single-source computing services to FAA operational organizations.

Under grants provided by NHTSA, seven states began linking crash data and data from statewide emergency medical services, hospital emergency department and discharge summaries, and rehabilitative care databases in order to assess the benefits of safety belt and motorcycle helmet use.

HMS Emergency Preparedness Grant Program

The first year of RSPA'S HMS Emergency Preparedness Grant program was extremely success-

ful. RSPA disbursed 58 grants totaling \$8.4 million to 47 states, 3 territories, and 7 Indian tribes. These grants supplement state expenditures for response to hazardous materials incidents.

RSPA implemented a national shipper/carrier registration and fee collection program to fund the Emergency Preparedness Grant program. As of October 18, 1993, a total of \$15.5 million (\$12.9 million for grants and \$2.6 million in processing fees) was collected for the 1992-93 and the 1993-94 registration years.

Despite OIG accomplishments, resolution of SUP problems continues to be a priority concern. In addition to 144 ongoing reactive SUP investigations, the OIG has 15 proactive SUP investigations underway. Several are joint operations with the FBI and the Defense Criminal Investigative Service to identify and take appropriate action against parts distributors and aircraft repair stations engaged in this criminal activity.

Odometer Fraud

Fourteen odometer fraud investigations were completed and five criminal convictions were obtained. Fines totaled \$64,000 and prison terms ranged from 12 to 40 months.

Enforcement

Aviation Consumer Protection Enforcement

DOT issued 12 cease and desist orders against U.S. and foreign air carriers and tour operators, assessing civil penalties of more than \$517,000 in cases involving prohibited consumer practices, primarily deceptive advertising, in the air travel industry. Delta, Northwest, USAir, Icelandair, and Quantas were subject to enforcement actions for failing to state in fare advertisements the full price to be paid by the passenger, making an insufficient number of seats available at the advertised fare, failing to disclose extended blackout periods in print advertisements, or making inaccurate claims regarding on-time performance comparisons with other carriers.

Consumer protection enforcement orders assessing civil penalties of \$230,000 were issued against Trans World Airlines (TWA) and Mexicana Airlines for violating DOT's code-sharing disclosure and denied boarding compensation rules, respectively. The code-sharing regulation requires that reservation agents advise customers when service is provided by airline code-sharing partners, some of whom operate smaller non-jet aircraft. The denied boarding compensation rules require immediate monetary compensation in certain circumstances when passengers holding con-

firmed reservations are bumped from flights. In addition, DOT's enforcement action in the denied boarding compensation case resulted in payments of tens of thousands of dollars to affected customers. DOT also issued five orders covering violations of the public charter rules.

Unauthorized Air Transportation Operations

DOT issued 15 cease and desist orders, assessing \$343,000 in civil penalties for unauthorized operations by foreign air carriers to and from the United States. The most significant cases involved Aeromexico, Regal Air, and SARO, a Mexican charter carrier whose U.S. authority was also revoked. The Department also issued consent cease and desist orders and assessed civil penalties against four air freight forwarders and direct air carriers for violations of service to Lebanon restrictions.

Rail Safety

FRA collected more than \$15 million in civil penalties for violations of rail safety laws. The added resources have also helped improve timeliness in this facet of the enforcement program.

Appendix

Cases Filed Under the International Air Transportation Fair Competitive Practices Act (IATFCPA) of 1974, as amended

(NOTE: On July 5, 1994, the IATFCPA was superseded by a general recodification of the transportation statutes. This report is submitted in accordance with 49 U.S.C. 41310, formerly §2(b) of IATFCPA.)

American Airlines, Inc. v. Iberia, Lineas Aereas de Espana, S.A., and the Government of Spain, Docket 48654, and American Airlines, Inc. v. Compagnie Nationale Air France, S.A., Air Inter, and the Government of France, Docket 48655.

Description: On February 11, 1993, American filed separate IATFCPA complaints against the Governments of Spain and France alleging unfair practices by both Iberia and its controlled airline affiliates in Spain, and by Air France and its affiliate Air Inter in France, against both American and SABRE, American's computer reservation system (CRS). American stated that Iberia and Air France had caused their domestic airline affiliates to refuse to participate in SABRE either at a commercially viable level (in the case of Air Inter), or at all (in the case of Iberia's controlled affiliates, Aviaco, Binter Canarias, and Binter Mediterraneo). American further stated that refusal of these carriers to participate in SABRE and the failure of the Governments of Spain and France to prohibit their carriers from discriminating against American, had denied American its fair and equal opportunity to compete guaranteed under the respective aviation Agreements.

Action Requested: American requested that the Department issue a show-cause order proposing that, unless Aviaco, Binter Canarias, Binter Mediterraneo, and Air Inter agreed to participate fully in SABRE, (1) each CRS operating in the United States would be required to treat Iberia, its three controlled affiliates, Air France, and Air Inter as non-participating carriers, and (2) Iberia, its three controlled affiliates, Air France, and Air Inter would be required to refrain from permitting any CRS operating in the United States to provide availability information, to make bookings, or to issue tickets on their flights.

Status: American and the foreign carriers held several rounds of commercial negotiations during which DOT extended the action deadline on the complaints. (Orders 93-4-28, 93-4-43, 93-5-20 and 93-5-32.) Both complaints were resolved through the intercarrier commercial discussions with the support of all governments involved, and American withdrew its complaints. The Department dismissed American's complaint against Spain by Order 93-5-19 and that against France by Order 93-6-15.

Northwest Airlines, Inc. v. the Government of Australia, Docket 48611.

Description: On January 22, 1993, Northwest Airlines filed an IATFCPA complaint against the Government of Australia. Northwest cited Australia's restriction of Northwest's New York-Osaka-Sydney services as a violation of the U.S.-Australia bilateral aviation agreement. Northwest stated that the Government of Australia imposed and was now enforcing an invalid strict numerical limitation (50 percent) on the amount of Fifth-Freedom traffic that Northwest could carry on its bilaterally authorized services over the New York-Osaka-Sydney route. Specifically, Northwest stated that on December 31, 1992, it received notice that the Osaka-Sydney sector of its service was not in compliance with the terms of the Australian Government approval, and that not only must two of its three flights adhere to the 50 percent condition, but also, effective February 1, 1993, one of its three flights could carry no Osaka-Sydney traffic at all. Northwest stated that the impact of those restrictions, if implemented, would jeopardize Northwest's entire Australia service and disrupt significantly its U.S.-Japan services.

Action Requested: As an appropriate countermeasure, Northwest suggested that, effective February 1, 1993, the Department suspend Qantas' authority to operate nonstop service in the Los Angeles-Australia market.

Status: By Order 93-2-15, the Department approved the complaint of Northwest finding that Australia's restriction of Northwest's Fifth Freedom traffic on its New York-Osaka-Sydney services violated the provisions of the U.S.-Australia aviation agreement and denied Northwest's ability to exercise route rights to which it was entitled under the Agreement. The order also deferred on the issue of sanctions pending the outcome of intergovernmental consultations. Talks were held in Canberra on February 8 and 9, and in Washington, D.C., on March 31 and April 1. These consultations failed to resolve the complaint. At the conclusion of those talks, Australia formally requested arbitration to resolve the dispute.

Subsequently, the Australian Government proposed to revoke Northwest's authority to serve the New York-Osaka-Sydney route effective May 30 (later deferred to June 30), and, upon reapplication by Northwest, approve only two North Pacific flights instead of the three previously authorized. Further, authority for the two remaining flights would be conditioned on Northwest's not carrying more than 50 percent Osaka-Sydney traffic. Based on the Australian Government's proposed actions, the Department issued show-cause Order 93-5-13 proposing certain sanctions against Qantas Airways Limited that would become effective if the Government of Australia put into effect its proposed actions against Northwest's New York-Osaka-Sydney services. By Order 93-5-31, served May 25,

ducted the week of January 11, 1993. No progress toward resolution of the complaint was achieved at the negotiations and no further talks were scheduled. Therefore, by Order 93-2-9, the Department approved the complaint of United finding that Japan's actions with respect to the Tokyo-Sydney portion of United's New York-Tokyo-Sydney services violated the provisions of the U.S.-Japan aviation agreement by denying United access to a beyond-Japan market it is entitled to serve under the Agreement. The order also requested comments from interested parties on appropriate sanctions against Japan Air Lines Company, Ltd., in response to our findings on United's complaint. A number of responses were received. The issue of U.S. carrier Fifth Freedom rights is the subject of ongoing U.S.-Japan negotiations.

Evergreen International Airlines, Inc. v. Air China International Corporation d/b/a Air China and China Eastern Airlines d/b/a China Eastern, Docket 48829.

Description: On June 1, 1993, Evergreen International Airlines filed a complaint against Air China International Corporation d/b/a Air China and China Eastern Airlines d/b/a China Eastern. Evergreen alleges that Air China and China Eastern are engaging in unreasonable, discriminatory, and anticompetitive practices that are seriously impairing Evergreen's access to and ability to compete in the U.S.-China all-cargo market. Specifically Evergreen states that Air China and China Eastern have threatened Evergreen's existing and potential customers with retaliatory actions, including denial of space in peak periods and denial of space on their non-U.S. services, if they continue or begin doing business with Evergreen and that these threats have resulted in cancellation of numerous commitments and a near total boycott of Evergreen's services.

Action Requested: Evergreen requests that DOT issue a show cause order proposing to suspend immediately the all-cargo authority held by Air China and China Eastern until those carriers cease and desist from their anticompetitive practices.

Status: By Order 93-7-50 the Department approved the complaint of Evergreen and proposed sanctions against the Chinese carriers that would require them to discontinue all cargo services between the United States and China. The order required that objections to the proposed sanctions be filed by August 9, 1993, and answers to objections by August 16, 1993. By Notice dated August 9, the Department, at the request of the two Chinese carriers and concurrence by Evergreen, extended the procedural dates by 1 week. On August 16, China Eastern and Air China answered the show-cause order stating that sufficient progress had been made in commercial discussions among the carriers to warrant dismissal of the complaint. Evergreen filed a reply refuting their claims. By Order 93-9-26, DOT made final its tentative findings and conclusions in Order 93-7-50, regarding sanctions on Air China and China Eastern to become effective October 7, 1993. By Orders 93-10-12 and 93-10-25, at the request of Evergreen, the Department delayed the effective date of the sanctions imposed on the Chinese carriers to provide additional time for a negotiated settlement of its complaint. Subsequently, Evergreen reached an agreement between Air China and China Eastern which resolved the dispute. By Order 93-10-31, DOT granted the motion of Evergreen to vacate Order 93-9-26, which had imposed the sanctions against Air China and China Eastern and vacated sua sponte the Part 213 schedule filing requirement imposed on the Chinese carriers by

Order 93-7-50. At the end of FY 1993, the Department continued to monitor Evergreen's operations and had not terminated the proceeding.

Northwest Airlines, Inc. v. Lufthansa German Airlines and the Government of the Federal Republic of Germany, Docket 49063.

Description: On July 29, 1993, Northwest Airlines, Inc. filed a complaint against Lufthansa German Airlines and the Government of the Federal Republic of Germany. Northwest alleges that the German Government has denied Northwest the right to serve Germany through a code-sharing arrangement with KLM Royal Dutch Airlines. Northwest states that the right is expressly provided for in Article 12 of the U.S.-Germany Interim Agreement of November 6, 1992; that the German Government failed to acknowledge this right in legal actions undertaken against Northwest in Germany by Lufthansa—actions which have led to an injunction and possible fines against Northwest—and in a German court proceeding against KLM. Finally, Northwest states that the German Government has indicated that even if the Northwest/KLM code-share services were approved, they would be counted against the frequency limitations set forth in the Interim Agreement and the Agreement nowhere provides for such a result.

Action Requested: Northwest requests that the Department suspend Lufthansa's authority to serve at least six of the U.S. gateways it now serves, one of which would be Detroit since that particular market was one Lufthansa was permitted to enter under the terms of the Interim Agreement. Northwest further states that Lufthansa's authority should remain suspended until: (1) the German Government explicitly affirms, in a form admissible in a court of law, Northwest's right to serve points in Germany via Amsterdam in a code-share arrangement with KLM; (2) Lufthansa withdraws and terminates the litigation now pending in a German court; (3) the Court lifts the injunction prohibiting Northwest's code-share services into Germany; and (4) Lufthansa makes restitution to Northwest for any fines that may be imposed by the German court, as well as for Northwest's costs to defend the litigation, and for Northwest's commercial damages.

Status: By Order 93-9-33, DOT extended the action deadline on Northwest's complaint through October 27, 1993, based on a recent signed Memorandum of Consultation (MOC) between the United States and Germany specifically providing for third-country code-share services effective November 1, 1993, and on a motion by Northwest requesting the Department defer action on the complaint as a result of the September MOC. Northwest also stated that if the injunction (discussed in the complaint), imposed on Northwest by the district court in Frankfurt were vacated, the Department should dismiss Northwest's complaint. [By Order 93-10-41, the Department extended through November 26, 1993, the deadline for taking action on the complaint to provide for additional time to finalize the new agreement on third-country code-share services and for the German Government to withdraw the injunction.]

United Air Lines, Inc. v. the Government of Australia, Docket 49089.

Description: On August 13, 1993, United Air Lines, Inc. filed a complaint against the Government of Australia. United alleges that the Australian Government has imposed unlawful